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HESELTINE INSTITUTE
FOR PUBLIC POLICY
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UK HOTELS POLICY GUIDE:

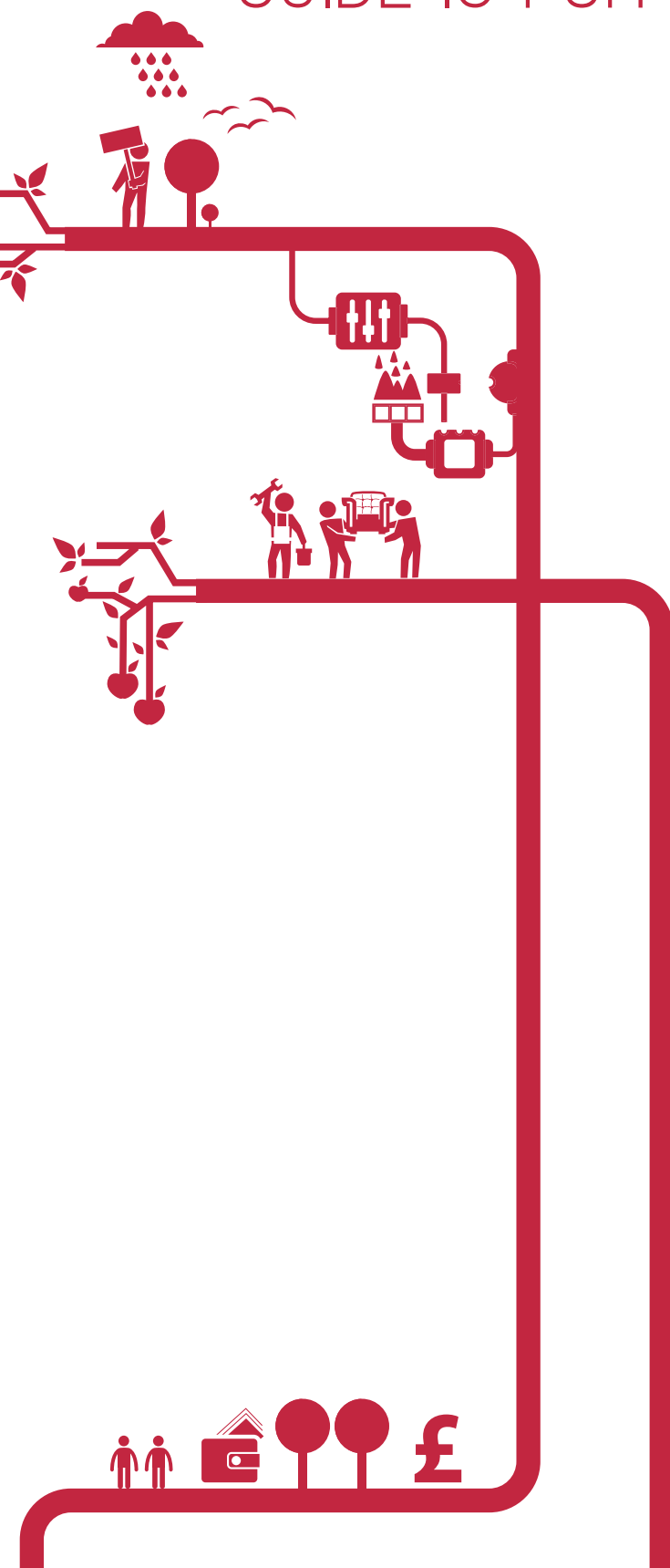
HOW TO PROTECT YOUR
BUSINESS AGAINST HUMAN
TRAFFICKING, FORCED LABOUR
AND LABOUR EXPLOITATION



CENTRE FOR THE
STUDY OF
INTERNATIONAL
SLAVERY

LIFE CHANGING
World Shaping

WHO THIS GUIDE IS FOR



This guide has been designed to help businesses in the UK hotel sector to meet their responsibility to promote and protect human rights and to understand and address any associated risks.

What it provides

- Information about risks for the hotel sector
- Tools and instruments to help companies comply with the law and implement good practice, including checklists and indicators
- Practical step-by-step instructions about how businesses can meet the 'responsibility to respect' human rights, thereby securing dignity, equality and safety from abuse and exploitation for all those that work in the sector.

Why action is needed in the UK hotel sector

Potential human rights abuses can occur in supply chains regardless of the distance from an organisation's operations. Employers need to be aware of the risk for workers to be exploited, irrespective of how they are employed, and company policies on social responsibility, outsourcing and recruitment must take account of these issues.

The International Tourism Partnership (ITP), which works with employers in the sector, has outlined eight reasons why action is needed to tackle human trafficking and forced labour in the hotel industry. These include not only a moral obligation, but the growing demands of investor groups, legislative changes, brand management, and the opportunity to show leadership on human rights issues, enhance staff morale and improve efficiency: "The risk to reputation and profit is real – it costs more to manage the media than do the right thing." (www.greenhotelier.org/know-how-guides/addressing-human-trafficking-in-the-hospitality-industry/)

What is human trafficking, forced labour and labour exploitation?

Human trafficking is a severe violation of human rights and occurs when a person is recruited, by an act or means, for the purpose of exploitation. The definition of trafficking is contained within the UN Palermo Protocol (2000) and in UK law human trafficking for forced labour is a criminal offence pursuant to section 4 of the Asylum and Immigration (Treatment of Claimants etc.) Act 2004.

The definition of forced labour is contained in the International Labour Organisation Convention No 29 of 1930, which defines it as (a) all work or service; (b) which is not voluntary; (c) and is exacted under the menace of penalty. Within the UK it is a criminal offence pursuant to section 71 of the Coroners and Justice Act 2009. There is no legally agreed definition of labour exploitation. However, it includes unfair treatment and the unfair employment of a worker in order to benefit from their work.

For a detailed discussion of the risks to the UK hotel sector see:

www.liverpool.ac.uk/heseltine-institute/our-work/society/immigration.

HOW TO DEVELOP POLICY

A good policy that addresses the risk of human trafficking, forced labour and exploitation needs to be based on human rights and to include contingency planning in case instances of human trafficking and forced labour occur. It should also include mitigation strategies for both the business and for employees who might have been exploited.



FIRST STEPS

- Explore current and existing commitments and statements regarding employment practices and human rights before embarking on a new policy
- Bring together key individuals within the company who have responsibility for employment practices and also those with responsibility for areas identified as being most at risk
- Consider the use of outside expertise to provide advice and assistance
- Discuss any potential policy with other parts of the business/key suppliers/key stakeholders.

ESSENTIAL COMPONENTS

- A clear statement on minimum labour standards
- A statement of commitment on human rights and/or human trafficking that should be publically communicated
- A clear explanation of how this policy addresses risk and meets legal obligations
- A description of internal procedures that should be in place
- A description of specific preventative measures that are being taken
- An explanation of actions to be taken when problems are encountered.

Case Study I

Statement of corporate social responsibility (CSR) and human rights by a hotel business

Whitbread plc CSR commitments: 'How We Do Business'

"Good Together and our CSR commitments are an expression of The Whitbread Way Forward: our unifying corporate vision to build the best large-scale hospitality brands in the world by becoming the most customer focused organisation there is. They are also an expression of our values, which underpin how we deliver this vision: being genuine, confident and committed in everything that we do.

"We call these commitments 'How We Do Business', because Whitbread wishes to embed its values and corporate social responsibility into everything it does. We will seek to apply the CSR commitments in all of our business decisions and operations wherever and whenever we do business across our UK and international operations. By applying these commitments, Whitbread believes it will be a business for which people will want to work, a business in which investors will want to invest, and a business with brands that customers will be proud to visit and come back to again and again.

"Our CSR commitments are informed by the United Nations Declaration of Human Rights, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multi-National Enterprises, and our own CSR strategy, Good Together".

PREVENTION

- Prevention can be an essential element in reducing risk, but for it to be effective it needs to be comprehensive, coordinated and involve all stakeholders
- Prevention campaigns and awareness-raising must have a purpose, make an impact, and be effective. Examples could include informing employees about policy and what conditions they have a right to expect
- Such information can be communicated in induction training, staff meetings and be supported via employee input into management strategy.



PRACTICAL ISSUES

- The implementation of a policy will take time, resources and will need support. Therefore, it is important to commit to the policy (if possible in writing)
- Record the outcomes of discussions and set out a realistic timeline for implementation of a full policy
- There may be potential legal issues that need to be considered when implementing any policy, eg employment, immigration, contractual and potential criminal law requirements (see University of Liverpool report for further details).

Case Study II

CSR policy incorporating human trafficking and forced labour in the supply chain IKEA and the 'IKEA Way'

"IKEA has developed the 'IKEA Way' or 'IWAY' system, which is based on the eight core conventions defined in the Fundamental Principles of Rights at Work ILO Declaration (June 1998) and the Ten Principles of the UN Global Compact 2000. Relating to human trafficking and forced labour, this means that IKEA has a minimum standard that the whole supply chain is required to meet, meaning there can be no forced, bonded or involuntary labour. This is maintained by regular compliance audits and by using the IWAY criteria when performing due diligence on new suppliers or associates and only entering into partnerships when these standards have been met.

"At IKEA we recognise that our business has an impact on social and environmental issues, particularly people's working conditions as well as the environment, both locally and globally.

"We also strongly believe that we can do good business while being a good business. This is a pre-condition to our future growth; a growth that will be achieved along with suppliers that share the same vision and ambition.

"Our guiding principles when working with these issues are: (a) what is in the best interest of the child?; (b) what is in the best interest of the worker?; and (c) what is in the best interest of the environment?"

Self-assessment checklist:

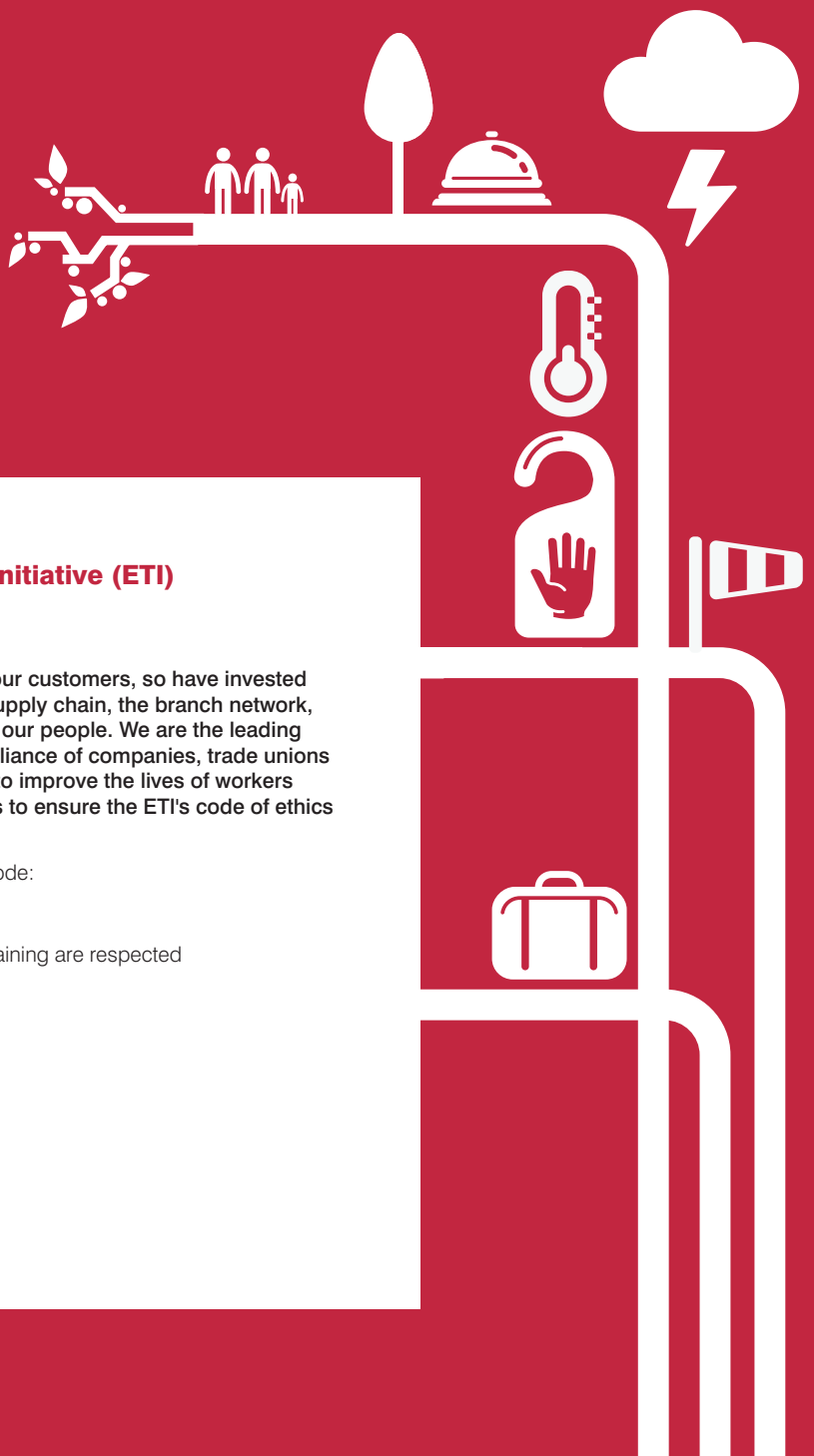
what to consider when developing policy

- Were all potential human rights risks considered when drawing up the policy?
- Has the commitment been made at the highest level in the company?
- Has the policy been tested with workers, stakeholders and outside expertise, and was it understood by these groups?
- Is the policy practical and robust enough to be implemented, especially when considering new business/new supplier relationships?

HOW TO ASSESS RISKS FOR YOUR BUSINESS

FIRST STEPS

- A good starting point is to look at available guidance on (a) self/external/risk assessment in all sectors; (b) the hotel sector (eg International Tourism Partnership (ITP) guidance on using employment agencies); and (c) review how your own system compares, or ask whether you need to implement a system
- You also need to consider those risk factors which have already been identified within your sector
- These sources should be seen as starting points and serve only as an initial guide for further investigation.



Case Study III

Business adopting the Ethical Trading Initiative (ETI) code of ethics **Arco: 'Core Values'**

"We are committed to the future of the business and our customers, so have invested heavily over recent years in product innovation, our supply chain, the branch network, communities we operate within and most importantly, our people. We are the leading member in our sector of the ETI, a ground-breaking alliance of companies, trade unions and voluntary organisations who work in partnership to improve the lives of workers across the globe. Arco conducts regular ethical audits to ensure the ETI's code of ethics is being observed.

"Arco fully subscribes to the ETI's Nine Principles Base Code:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour shall not be used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- No harsh or inhumane treatment is allowed."

WHAT TO CONSIDER

- Be aware of how all those who work with you are employed and contracted. Multiple employment types mean that legal liability might not always be clear, but there is an ethical responsibility to protect: everyone in the supply chain has a duty to respect the human rights of workers
- Businesses need to be aware of how different forms of employment and employment contracts relate to potential areas of exploitation. Different employment types can cause a range of risks both to the business and the employees
- There are obvious forms of exploitation that businesses should be aware of, including employees not being paid or pay being illegally/unfairly deducted. However, other forms of employment contracts and recruitment methods may not be obviously exploitative.

IDENTIFYING GROUPS OF WORKERS THAT MIGHT BE VULNERABLE TO EXPLOITATION

Businesses need to be aware of the potential differences and risks associated with the following employees, whether employed directly or indirectly:

- Young workers
- Agency workers
- Those on short-term or 'zero-hours' contracts
- Migrant workers (especially where risk of non-regular status)
- Other vulnerable groups.

CREATING A 'RISK AUDIT MATRIX'

Below is an example of a matrix of risk factors that can be applied to the UK hotel sector and which can be helpful in identifying parts of your business, areas of operation, and particular groups which might be subject to negative human rights impacts.

Audit matrix: risk factors in the UK hotel sector						
Group affected	Company (directly employed) workers	Indirectly employed (agency/supplied) workers	Customers	Local communities	Vulnerable groups? eg migrants, young workers	Others
Function						
Management / back-office						
Front of house						
Cleaning / housekeeping						
Catering / kitchen						
Events						
Other						

HOW TO INTEGRATE ASSESSMENTS INTO CONTROL AND OVERSIGHT MECHANISMS

Human rights implementation must be fully integrated so that it becomes a 'normal' part of your business if it is to be sustainable.



KEY PRINCIPLES

- Assessments can be included in business planning, corporate governance or risk planning
- Integration into all corporate governance procedures including clear instructions on how to report – consider parallels with existing commitments such as carbon/data/green policies
- If your company has a system of corporate social responsibility (CSR), it is highly recommended that human trafficking / forced labour / labour exploitation be integrated into your CSR matrix with corresponding adjustment of reporting mechanisms and risk mitigation strategies
- If you have no formal governance in place or procedures and routines to integrate human rights commitments, you are at risk of unknowingly infringing human rights.

FIRST STEPS

- Integration of assessment and oversight requires a coherent overarching policy and systematic assessment of risks (see previous steps)
- Once these are in place, the information generated by reporting needs to be used properly
- If risks and issues are not recorded, they are unlikely to be managed well. Nevertheless, it is the way that this information is subsequently used that is essential
- While there are various methods, the benefit of opting for integration is that CSR policies can be unified and embedded
- Start with a minimum standard of recording that can then be raised, improved and enhanced year on year.

SETTING UP A REPORTING SYSTEM

- Reporting should always be consistent, which is why an overall policy is useful as it can set out the key principles which all reporting should include
- Be aware of all of your business relationships from a human rights perspective: are you aware of potential human rights issues within your supply chain? How could you investigate this?
- Consider using well-known indicators of human trafficking, forced labour and labour exploitation when reporting. These provide an excellent template for investigating and identifying problems with exploitation of workers and identifying worker exploitation (see further information)
- Provide comprehensive training for those undertaking any assessment. This means not just understanding the scale of the problem, but also knowing how to spot signs that something is wrong
- Other alternative methods to assess actual and potential human rights impact include surveys of workers and systems for anonymous reporting (eg whistle blowing). See www.stronger2gether.org/ for examples in the food sector
- An independent expert, social auditor or NGO can be asked to carry out the audit and/or assessment (see 4: How to monitor and evaluate).

Case Study IV

Policy guidance designed specifically for the hotel sector The Staff-Wanted Initiative (SWI)

The 'Staff-Wanted Initiative' – a collaboration between Anti-Slavery International (ASI), the Institute for Human Rights and Business (IHRB), and the Joseph Rowntree Foundation (JRF) – developed a good practice guide, the 'SEE formula': 'Scrutinise, Engage, Ensure'.

According to this formula, the basic checks which a business should carry out include:

- Check all staff, including agency workers, have a written contract
- Check all staff, including agency workers, have not paid any kind of direct or indirect fees to obtain work
- Check and record addresses of all staff, including agency workers. Investigate when numerous staff list the same address, indicating high shared occupancy
- Undertake background checks on any agency used to recruit or supply staff. Are they reputable?
- Use indicative pricing statistics to assess quotations and fees from agencies offering or charging suspiciously low rates.

Self-assessment checklist: how to assess risk

- Do human rights assessments prioritise the interests of people (rather than the business) and prioritise vulnerable groups and those most at risk?
- Have the right staff and stakeholders been involved in developing the assessment process?
- Are potential/future risks considered?
- Are all parts of the business covered?
- Is the assessment making use of the best possible information and indicators?
- Have the regulatory weaknesses around human rights been considered and addressed?
- Are suppliers and contractors included in the assessment?
- How can risk that is outside the control of the company (ie by recruitment agencies) be mitigated?





Case Study V

Good practice for the hotel sector: the SEE formula

The 'Staff-Wanted Initiative' developed a good practice guide for how businesses in the hotel sector should monitor and integrate control mechanisms. According to this formula, the basic measures that a business should carry out include:

Engage

- Provide training for supervisors and other staff on identifying and remedying risks and vulnerabilities to exploitation
- Monitor hours worked and have triggers in place to investigate excessive overtime or availability for work on rest days. Ensure recorded hours match hours actually worked
- Monitor allocation of jobs, work, roles or tasks and prevent any form of discrimination
- Provide full details to all staff, including agency workers, of rules surrounding statutory rights, sick pay, holiday pay and any other benefits due

- Investigate payments by workers to any agency for food, accommodation, uniforms / overalls, transport, laundry or other services.

Ensure

- Have a clear recruitment policy with procedures and guidelines in place for the hiring of staff or use of recruitment or employment agencies
- Supervisors and managers should receive written notification that accepting inducements, or any form of worker maltreatment, coercion or harassment will be regarded as a gross misconduct offence
- Calculate realistic expectations of work to be achieved within particular timeframes. This should take into account varying patterns of normal hotel use by customers
- Ensure all health and safety measures are appropriate and accessible to all staff, including agency workers
- Establish a confidential grievance process for all staff, including agency workers.

Self-assessment checklist: how to integrate assessments

- Are those groups and individuals most affected included in the construction of systems to address human rights risks?
- Have the appropriate forms of leverage been considered/adopted when dealing with business partners?
- Is there a system or process for prioritising those problems which require action to be taken?
- Is the relevant legal and other information available to help identify the possible options for remedying the problem?
- Are staff prepared/trained for dealing with difficult/high-risk situations?

HOW TO MONITOR AND EVALUATE'

KEY METHODS

- The most straightforward means of measuring performance of human rights policies in businesses is through self-regulation
- Businesses should consider the use of external auditing by organisations that specialise in trafficking and human rights
- While an external audit will always be more convincing, due to the value of independent expertise and transparency, internal assessment represents a good first step, and can be designed through the use of resources such as this guide
- External audits can be undertaken by the same organisation chosen to 'endorse' the human rights policy. See case studies for examples of how businesses in the hotel sector and other sectors have incorporated CSR into their company policies
- If a human rights policy is within the corporate governance structure it should be reported on annually by the company.



Case study VI

External monitoring of labour rights in supply chains

Unilever and Oxfam (taken from Forward to Oxfam's 2013 report)

Oxfam: "Working conditions remain poor for many workers in the value chains of multinational companies around the world, despite the often good intentions of senior management. Oxfam welcomed Unilever's willingness to open its operations and supply chain to the scrutiny of Oxfam's staff and research team as demonstrating an exceptional level of transparency and a genuine commitment to stakeholder engagement. It

enabled us to gain access to Vietnamese workers' experience of working life, and to understand the interaction between workers' lives and corporate policies and processes in ways that are not normally open to a civil society organisation."

Unilever: "The adoption of the UN Framework for Business and Human Rights has led us to rethink the integration of our human and labour rights strategies. Unilever has completed an internal gap-analysis relating to our compliance with the UN Framework. Recognising that more needs to be done, Unilever accepted Oxfam's request to conduct this research within our operations and supply chain in Vietnam to learn what the implications of the UN Framework might be and how a global business can further improve and refine the labour standards of its employees and workers."

Self-assessment: checklist: how to monitor and evaluate

- Can there be comparison over time of information if reported periodically?
- Do the performance indicators accurately reflect performance and can they help to prompt action?
- Are indicators being used properly (ie qualitative/quantitative data issues)?
- Are there appropriate mechanisms in place to protect the privacy of individuals/victims?

Further resources

- UK National Crime Agency on trafficking:
www.nationalcrimeagency.gov.uk/crime-threats/human-trafficking
- National Referral Mechanism:
www.nationalcrimeagency.gov.uk/about-us/what-we-do/specialist-capabilities/uk-human-trafficking-centre/national-referral-mechanism
- Policy briefing on UK hotels and trafficking:
www.liverpool.ac.uk/heseltine-institute/our-work/society/immigration
- Full mapping report hotels and trafficking for forced labour:
www.liverpool.ac.uk/heseltine-institute/our-work/society/immigration
- Sedex briefing on 'Modern Day Slavery':
www.sedexglobal.com/wp-content/uploads/2014/04/Sedex-Briefing-Modern-Day-Slavery-April-2014-Final.pdf
- ITP 'know-how' guide on tackling human trafficking, including links to indicators:
www.greenhotelier.org/know-how-guides/addressing-human-trafficking-in-the-hospitality-industry/

About this guide

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